

# Jomer & Co

## **Gain additional motivation for closing the strategy-to-execution gap**

Strategy execution is all about harvesting the full potential of the business, and not limiting oneself to only 50, 60 or 70 percent. To harvest the full potential of the strategy, successful leaders ignite engagement and empower their people to fuel strategy implementation. Execution is the result of thousands of decisions made by the leadership team and staff on the promise to implement the strategy every day. Employees up and down the corporate ladder make pledges to one another. Employees also make commitments to colleagues in other divisions and functions, to customers, partners, and other stakeholders. Delivering on all these promises in a coordinated way is what strategy execution is really about.

Our research conclusions on the subject of strategy creation and implementation<sup>1</sup> suggest there is a strategy-to-execution gap close to 60% among the researched top executives in terms of how they perceive their strategy promise and the actual strategy output. Even if it is easier for most managers to get things done when there is a clear chain of command, many managers struggle to make things happen in a cross-functional dimension. The people they are relying on sometimes do not even share their assumptions or objectives. *How is it possible to get people engaged if they are illiterate about the strategy-to-be?*

Scores in employee satisfaction surveys regarding engagement and motivation to make strategy happen typically decline as one goes down the organization chart. Although the promises to the strategy are critical for business success, they too often fail in practice and execution becomes a minefield when executives underestimate the strategy disconnection at the front lines.

This white paper explores the intrinsic and extrinsic drivers for closing the strategy-to-execution gap through the lenses of engagement and motivation for making strategy implementation happen and making it stick in order to successfully benefit from the decided strategic choices. We will start by exploring engagement in the context of strategy execution, since in our view, a broad engagement for making strategy happen is a prerequisite for closing the strategy-to-execution gap. Companies with energized and motivated down the line managers and employees make the extra effort to create a superior experience for customers, who in turn reward the company with intense loyalty and contributions to its profit and growth.

Most companies today spend a tremendous amount of time and effort measuring and addressing issues related to employee engagement. But the results are generally disappointing. To get a higher return on these resources, it is time for executives to turn their current approach upside down and instead align these efforts with their work to create and implement the strategy. Our research and experiences tell us that an open and honest dialogue between employees and down the line management about the

---

<sup>1</sup> Jomer & Co Research: Strategy Creation and Implementation, 2013.

challenges facing the company and the decided strategic choices is needed to fire up engagement so that they approach their tasks with energy, enthusiasm, and creativity in the pursuit of closing the strategy-to-execution gap. After all, if the strategy is not known, understood and reflected upon by the people implementing it, the chance of success becomes nothing more than an aspiration. We have in our own research and consulting practice found linkages noting that organizations with top scores in employee motivation are about 70% more likely to be in the top quartile for overall strategy implementation performance. Thus, the more employees know about the vision and strategy, the more likely they are to get engaged in the task of closing the strategy-to-execution gap.

### **Only the ones who make the strategy happen succeed**

Strategy execution has always been one of the most difficult problems in a changing business environment. Perhaps, it is even more so today considering the pace of change in most industries and in today's fast moving world. A common understanding is that the creation of a strategy is nothing compared to executing it successfully. That is probably true most of the time, since generally it is much easier to create a strategy than to making employees commit to and realize it. Most senior executives we talk to agree that strategy, even a great one, does not implement itself. They say that this is where the trouble starts and where the clean and elegant logic of strategy creation gets dirty. Agendas compete, priorities clash, operational numbers do not add up, decisions stall, communication breaks down and timelines get blown. It is seldom a question if these problems will happen. It is rather a question of when and to what degree.

No theory or model is useful in the abstract. What really matter are your business and people. Management sometimes focuses on what is going wrong and on why people are not as engaged as they should. A much better approach is to figure out and learn what is already working when implementing the strategy, build on the strengths and find ways to replicate it. Go to the most engaged individuals, teams and business units, understand what motivate them, and help others model what they do. Leverage experiences made elsewhere. After all, getting people to do their best is an old challenge. We have many times used this approach to help businesses or parts of organizations identify a unique "engagement signature" suited to their context. This is a process that requires skill and practice, not just luck.

### **Tap in to the collective wisdom of the organization to ignite engagement**

Dialogue is core in an execution culture. Down the line managers and employees must understand the strategy and the steps needed to implement strategy. They need to understand how their tasks contribute when closing the strategy-to-execution gap. They need to recognize that leadership acts consistently with their actions and not just their words. Hence, management needs to encourage by new ways of doing things and they need to gain confidence in executing tasks that are being addressed. Unless commitment is made, there are only promises and hopes.

When senior management identifies a new strategic direction and launches a program for change, it is not unusual that they fail to capture what employees with great influence think of the new strategy. Surprisingly few leaders make a serious attempt to

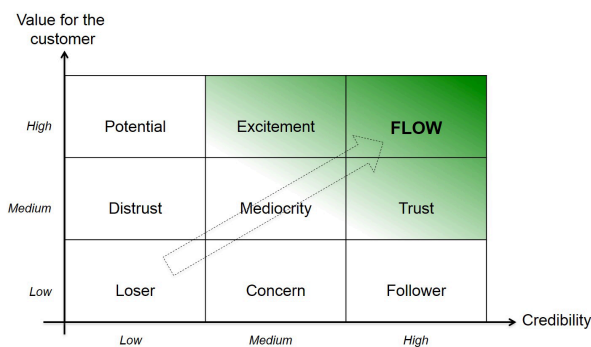
engage their organizations in an honest conversation about the strategic and organizational issues they face. As a result, they lose the benefits of a sincere open dialogue to build a common commitment that drives rapid change, improve performance, and vitality. Successfully realigning the organization with a new strategic direction requires almost always simultaneously changing the worldview and the behaviors of a whole set of interdependent players, such as the CEO, the senior management team, and managers down the line.

This will not happen without an honest, collective and open dialogue. By “honest” we mean that the participants are allowed and given the opportunity to securely articulate their uncensored opinions. By “collective” we mean that several levels of management across important functions and value chain activities have to be engaged. By “open” we mean that senior managers need to keep everyone three to four levels below them informed about what has been learned, as well as what changes are planned.

To energize the organization, the conversation must be focused on the most important issues, i.e. the company’s strengths and the obstacles to performance. *Do we have a distinct and clear strategy that managers and employees believe in and do we have the capacity to implement the strategy?* Allowing for an honest dialogue around the strategy is a proven way to identify and overcome the implicit and explicit barriers and to create broad engagement for closing the strategy-to-implementation gap.

### Creating energy for strategy implementation is a vital leadership task

Without sufficient energy, strategy implementation becomes a risky adventure. Sufficient levels of energy are needed to create the capacity for a full closure of the strategy-to-execution gap. Energy is the fuel that is required to bring out the engagement, talent and persistence to implement the strategy. Energy or lack of energy is contagious. Top management cannot run empty on energy when engaging people for doing what is needed to execute the strategy. Feelings of overload are default emotions in most contemporary organizations; higher demand and fewer resources are the new normal. Effectively addressing the issue of creating energy to build capacity for implementing strategy is a vital leadership task and closely linked to the willingness of down the line management to take responsibility for their leadership roles. The challenge is to energize and inspire people to bring out more of themselves, not just trying to get more work out of them.



Leaders who shape a vision and a strategy that is engaging and tap into the desires and motivators of the people they are leading engage people’s hearts as well as their heads and hands. Finding the right strategic choice from the customers’ viewpoint aligns business purpose with meaning. Strategic flow happens when value for the customer is combined with

**Figure 1. Finding the right strategic choice is a prerequisite for strategic flow**

credibility for the offering. See fig. 1. Flow<sup>2</sup> enhances organizational performance by improving employees' concentration and motivation. Flow, is an optimal state of intrinsic motivation, where an individual is fully immersed in pursuing a task. The feeling of flow is characterized by great absorption, engagement, fulfillment, and leverage of competence. Leaders who help people reach a flow by taking steps to remove any obstacles when implementing strategy improve concentration and motivation.

Leaders who leverage the purpose of the business give people meaning. To leverage purpose, goals must be aligned with the purpose and emphasize more than self-interest. Leaders should help people create meaning of their work and efforts that allow them to pursue purpose on their own terms. Those leaders who succeed in creating meaning tend to motivate people to perform better and more creatively. When people experience meaning, their employers enjoy higher rates of customer commitment and loyalty. When employees feel disengaged, there is usually only one cause, i.e. poor leadership. Most executives recognize that one of their biggest challenges is closing the gap between people's potential and realized talent and energy. If they can tap into talent and energy through a systems approach to leadership there will be more people energetically focusing on implementing the strategy. People who are inspired to excel, act with commitment.

The pursuit to create meaning is enhanced by matching the purpose of business with things that motivate people to execute, e.g. insight, learning, fair levels of achievement and relevant types of rewards. An important task for a leader is to raise people's understanding and help them find the "aha" moments of insight, i.e. entering the mode of flow. Down the line managers and employees who have a clear understanding of "why" can manage almost any "how".

There is nothing new in saying that leadership is critical for execution, but we must not forget that a leader's primary task is to deliver results. An organization can execute its strategy only if the leader's heart and mind are immersed in the company and its vision of the future. But leading is much more than just thinking strategically and attempting to inspire people with visions, while managers and staff do the work. Leaders who execute are willing to soil their hands and work the ground instead of just shouting from the sideline. They have intimate knowledge of their business. They will do whatever it takes to clear the roadblocks for their people. Execution requires active involvement and leaders have to use their knowledge and wisdom to constantly probe closure of the strategy-to-execution gap. They must bring weaknesses to light and rally their people to correct them.

However, they must be careful not to micromanage, since micromanagement diminishes people's self-confidence, discourages their engagement, initiative and stifles their ability to think for themselves. Therefore, leaders need to encourage independent thinking and support them not to make poor decisions. Employees usually look to the hierarchy for guidance, and organizations that are strong on execution understand this. Their employees take own initiatives to make the strategy happen.

---

<sup>2</sup> A term coined by Mihaly Csikszentmihalyi.

## **Philosophy for organizational motivation**

*In what kind of situations are the people you lead most effective? What strengthen or undermine their motivation? What is your organization thinking about motivating people?*

Our experience tells us that the more people focus on money, the less they will focus on satisfying their intellectual curiosity, learning new skills, or pleasing customers. They tend to forget the things that make them perform the best. Social sciences have taught us that we are more likely to like our work if we focus on the work itself, and less likely to enjoy it if we focus on money. Money does not buy us engagement.

Leading requires an understanding of motivation and anyone who lead people should look at the assumptions they are making on how to motivate. *Is the carrot-and-stick philosophy of reward and punishment still dominant in your organization?* When people choose for themselves what to do instead of just being told, they become more committed to performance and results. People respond to the carrot-and-stick by trying to get more of the carrot while protecting themselves from the stick, and that is not the same as focusing on performance and results. If you use carrot and stick motivators for creative, conceptual, and complex tasks, people will most likely underperform<sup>3</sup>. Although motivation is about approaching pleasure and avoiding pain to some extent, social sciences have shown that carrot and stick motivators are not effective in today's organizations. People perform well by doing things they believe are interesting, fun, and because they like to contribute.

We recommend to use what social sciences have taught us about motivating people. Ask your people questions that will help them reach their own conclusions in how to improve performance. People want to do good and become better. It is a human desire to seek a chance to get better and better at something that matters. The search for mastery and meaning is a unifying drive for performance, allowing people to reach beyond themselves when serving a purpose. However, do not focus too much on problems, it tends to create fatigue and resistance. Look for opportunities to build strengths on both individual and organizational levels. That leads to engagement and motivation. Use the strengths to overcome the business challenges. When people sense that they are making headway or when they get constructive support that helps them overcome obstacles, their level of performance increases<sup>4</sup>.

### **The top motivator for strategy implementation is progress**

Motivated people are engaged, satisfied and committed. Engagement drives energy, effort and initiative for making strategy happen. Satisfaction reflects the extent to which progress happen. Commitment captures the extent to which there is no intention to quit execution before the gap is closed. Down the line managers and employees who are challenged by purpose and meaning become motivated to grow and learn. Talented people who feel trapped often leave their organizations to find new challenges elsewhere. We have seen many people in managerial ranks resign in favor of new jobs that pay less, but offer greater meaning, individual freedom and initiative. Some

---

<sup>3</sup> Based on the thinking of Daniel Pink.

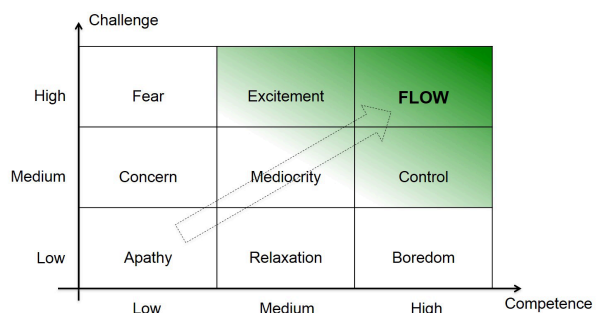
<sup>4</sup> Based on the thinking of Teresa Amabile.

executives do not understand why people do not respond to their efforts to sustain effectiveness, and why people want to leave apparently good organizations. They get confused and fearful of losing control. Some leaders we talk to often underestimate how hard it is to drive people out of their comfort zones, they overestimate how successful they really are or simply lack the patience necessary to develop an appropriate level of drive.

The biggest motivator for an organization in pursuit of closing the strategy-to-execution gap is the sense of making progress. The power of progress is fundamental to human nature. The key to motivating performance is supporting the progress of meaningful tasks. By supporting people and their daily progress of carrying meaningful tasks, leaders enable long-term performance. By setting a positive feedback loop in motion you will get a complementary tool for managing the progress of strategy implementation that will contribute to the success of the organization.

Celebrate progress when implementing strategy, but do not forget that there will be nothing to recognize if people are not genuinely moving forward in the pursuit of closing the strategy-to-execution gap. Recognition cannot happen every day, but you, as a leader, must support your people to make progress happen every day. Most tasks are potentially meaningful to the people doing them. Hence, leaders need to make sure that their employees know how their tasks are contributing to the closure of the strategy-to-execution gap.

People in the right places can produce mastery, which begins with flow, i.e. optimal experiences when challenges exquisitely match the capabilities. Mastery abides to three rules: mindset, pain and the search for excellence. You cannot see abilities as finite; you need to see them as infinitely improvable. Mastery demands effort, details, and deliberate practice, and is impossible to fully realize. Deploying the right people in the right places calls for assessment of the different types of tasks, challenges and required competences. You must be relentlessly determined on deploying your most competent people to handle the most challenging tasks when implementing strategy. See fig. 2.



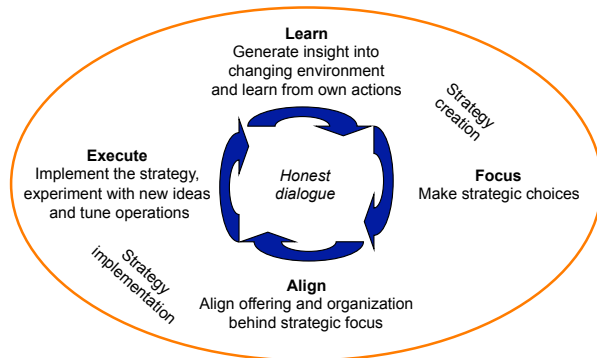
**Figure 2. Getting the right people in the right places is a prerequisite for organizational flow**

### Strategy execution is one of four phases in a virtuous strategy cycle

Strategic Learning is a systems approach to strategy and execution that embraces, develops and disseminates knowledge and is able to adapt to changes in the world so that it benefits customers, employees, shareholders and society. The Strategic Learning strategy process framework<sup>5</sup> has a four-phase dynamic cycle of Learn, Focus, Align, and Execute. See fig. 3. These phases build on one another and are repeated to create and sustain winning performance. The more often an organization repeats this cycle, the

<sup>5</sup> Inspired by the thinking of Willie Pietersen.

better it becomes in doing it, thus enhancing its adaptive capability. The result is a process of ongoing renewal that characterizes a truly adaptive organization.



**Figure 3. Strategic Learning is a systems approach to strategy and execution**

The final phase, Execute, concerns implementation and experimentation. Each phase of the cycle has its own sets of hurdles and rewards, and when done effectively, each phase builds on the previous one creating a powerful momentum behind the strategy. If all components are in place, then this cohesion will help executing the plan rapidly and successfully. But, implementation of a strategy will only be as effective as the insights, focus, and alignment are. Note that execution is both

the final phase of one cycle and the first step into the next cycle. Hence, by working the way around the cycle again and again, the company continues to update its insights, learns and adapts to new conditions. Hence, the Strategic Learning strategy process never ends.

## Leadership evolution

The causes of the strategy-to-execution gap are often not visible to top management. Leaders then sometimes pull the wrong levers in their attempts to turn around performance but few understand or know how to leverage progress to boost motivation. They often tend to focus on what is going wrong and on why people are not as engaged as they should. Progress provides intrinsic motivation and fuels the organization with additional energy to complete the necessary tasks of implementing strategy. If leadership fails to support progress, strategy implementation suffers and so does performance.

The leadership teams we have supported in the systematic process of strategy execution have gained deeper insights about the need for a higher ambition leadership. These deepened insights have been crucial for how they look on themselves and the choices they have made. They tend to start leading execution with a higher ambition to fully envision the need to get the full potential out of their people when closing the strategy-to-execution gap. They stop compromising on the things that matter and turn every rock in the pursuit of getting the job done. To do this they execute against an integrated agenda of core management disciplines, i.e. executing strategy, managing performance, building a shared culture, a culture of accountability, and personally leading people. They are present, fair, clear and persistent. By that, they move away their people from politics and backbiting. In short, they earn the right to lead.

Unleashing the power of execution happens far more effective when the strategy is anchored on a meaningful higher purpose and when people feel they are here for doing good things and not just for producing return on investments. These senior executives have built continued successes from creating a community out of diversity and from giving a voice to personal aspirations and values to release the energy and focus on executing strategy. Diversity then becomes a true source of advantage.

## **How can we help?**

The strategy-to-execution gap must be closed, and creating the drive necessary for strategy execution increases the odds to significantly improve the company's chances of success. One important benefit from the systematic process of Strategic Learning when it comes to strategy execution is, besides an immense focus of closing the strategy-to-execution gap, the learning experience from the execution that will be carried forward into the next strategy cycle.

Jomer & Co has long experience and deep knowledge of helping leadership teams and senior executives to execute their strategies. Our support is always bespoke and there are several possible entry points to a successful collaboration, for example:

- Running a Strategy Execution Workshop with the management team is a proven process for identifying strengths and weaknesses when closing the strategy-to-execution gap and to build a higher ambition leadership.
- Conducting a Strategy Audit with focus on a set of execution areas when lacking progress in strategy execution. This is a reverse-engineering approach for validating the company's alignment of the organization behind the strategy and to increase the chances for a successful and rapid execution.
- Supporting the leadership team in setting up a Strategic Metalog, a proven format for conducting an honest and open dialogue around strategy and thereby leveraging the broader wisdom of the organization.
- Engaging in Strategic Coaching of senior managers' strategic challenges supports and assists them individually in their ongoing strategy execution work.
- Supporting the Execution phase of the Strategic Learning strategy process gives management a comprehensive approach and drive for strategy execution.

## **Jomer & Co**

We help clients close the strategy-to-execution gap by creating and implementing winning strategies.

Jomer & Co is a boutique advisory firm, focusing on strategy creation and implementation. Our focus on employing professionals with extensive experience provides us with the executive resources of a larger organization while still being flexible and responsive in the relation to our clients' challenges.

We are devoted to knowledge and situational insight and are aligned to the shift in demand for management consulting services by its way of leveraging knowledge, experience and giving advice. Our experienced Consulting Associates work closely with clients throughout the stages of strategy creation and implementation.

For contact and more information, please email [info@jomer.se](mailto:info@jomer.se).